
AGENCY OVERVIEW

243 MINOT STATE UNIVERSITY - BOTTINEAU

Date: 12/14/2006

Time: 14:32:47

STATUTORY AUTHORITY

North Dakota Constitution, Article XIX , Section 216.

AGENCY DESCRIPTION

Minot State University - Bottineau Campus is a two-year branch campus of Minot State University and is part of the North Dakota State University System. Minot State University - Bottineau Campus' focus is to fulfill its historic mandate by providing programs in environmental/natural resource studies and business, as well as course work for programs that will provide for the educational needs of our constituents.

MSU-Bottineau Campus achieves its mission by providing specialized technical programs in agriculture, environmental/natural resource studies, and crucial business specializations as well as through traditional curricula that transfer to baccalaureate programs.

MSU-Bottineau has 56 employees (24 faculty and 32 staff -- all funding sources), offering 33 vocational-technical programs leading to certificates, diplomas, or Associate of Applied Science (AAS) degrees. It also offers comprehensive university parallel/transfer course work leading to Associate of Arts (AA) or Associate of Science (AS) degrees.

AGENCY MISSION

The elements of the constitutionally mandated mission for MSU-Bottineau clearly highlight the uniqueness of the Institution. It is the Institution's responsibility to provide training to meet a variety of area needs. The College achieves its mission by providing specialized technical programs in agriculture, environmental/natural resource studies, and business as well as through traditional curriculum that transfer to baccalaureate programs. The opportunities for experiential learning in attractive outdoor settings allow the unique educational programs on this campus to be intensified. A commitment to "hands-on" learning and the use of natural resource laboratories are common instructional techniques. The proximity of the campus to the International Peace Garden, J. Clark Salyer National Refuge, Denbigh Experimental Forest, the Turtle Mountains, and the offices of the North Dakota Forest Service provides a natural setting to support unique training programs serving all constituents.

AGENCY PERFORMANCE MEASURES

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the six cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 6th annual accountability measures report is scheduled for completion in December 2006, and will be the most current information available to the 2007 Legislative Assembly.

This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

MAJOR ACCOMPLISHMENTS

Created the following new online programs: para-education, urban forestry, medical transcription, medical coding/billing, reception services, landscape technology, greenhouse technology, and bookkeeping.

Added the Minot adult farm management program to the college's curriculum inventory.

Collaborated with Valley City State University to offer a 3+1 program in wildlife management. This cooperative project allows students to spend three years on the Bottineau campus and one year on the Valley City campus and earn a bachelor's degree from VCSU.

Collaborated with WSC, BSC, and LRSC in the Dakota Nursing Consortium. The consortium brings practical and registered nurse curriculums to Bottineau, Williston, Bismarck, and Devils Lake.

Cooperated with Heart of America Health Center in Rugby to bring the practical nursing program to that community via distance education.

Received a general fund appropriation from the ND legislature to construct an addition to Thatcher Hall that will house the arts and humanities department.

Increased the scholarship endowment fund by \$200,000.

Conducted a successful Centennial year/event.

Received funding from a benefactor to build a racquetball court addition to the athletic wing.

Lead the University System in interactive video network programming.

Increased online programs, courses, and enrollment by 100%, 21%, and 34% respectively since last biennium.

FUTURE CRITICAL ISSUES

Adjustments for Costs to Continue include the following:

05-07 EXTRAORDINARY REPAIRS – (-\$109,725)

05-07 MAJ CAP PROJ - (-\$6,000,000) Thatcher Hall Addition - (\$-2,500,000) and Entrepreneurial Center for Horticulture - (\$3,500,000).

REQUEST SUMMARY

243 MINOT STATE UNIVERSITY - BOTTINEAU
Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 14:32:47

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
MINOT STATE UNIVERSITY - BOTTINEAU	4,318,484	10,444,185	-5,289,049	5,155,136	45,072
TOTAL MAJOR PROGRAMS	4,318,484	10,444,185	-5,289,049	5,155,136	45,072
BY LINE ITEM					
OPERATING EXPENSES	4,108,821	4,334,460	437,017	4,771,477	0
CAPITAL ASSETS	209,663	109,725	273,934	383,659	45,072
CAPITAL ASSETS NON-STATE FUNDED	0	6,000,000	-6,000,000	0	0
TOTAL LINE ITEMS	4,318,484	10,444,185	-5,289,049	5,155,136	45,072
BY FUNDING SOURCE					
GENERAL FUND	4,318,484	4,444,185	698,046	5,142,231	45,072
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	6,000,000	-5,987,095	12,905	0
TOTAL FUNDING SOURCE	4,318,484	10,444,185	-5,289,049	5,155,136	45,072
TOTAL FTE	36.08	34.32	-3.21	31.11	.00

REQUEST DETAIL

243 MINOT STATE UNIVERSITY - BOTTINEAU
 Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 14:32:47

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
OPERATING EXPENSES					
OPERATING FEES AND SERVICES	4,108,821	4,334,460	437,017	4,771,477	0
TOTAL	4,108,821	4,334,460	437,017	4,771,477	0
OPERATING EXPENSES					
GENERAL FUND	4,108,821	4,334,460	437,017	4,771,477	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	4,108,821	4,334,460	437,017	4,771,477	0
CAPITAL ASSETS					
LAND AND BUILDINGS	97,000	0	252,000	252,000	0
EXTRAORDINARY REPAIRS	112,663	109,725	21,934	131,659	45,072
TOTAL	209,663	109,725	273,934	383,659	45,072
CAPITAL ASSETS					
GENERAL FUND	209,663	109,725	261,029	370,754	45,072
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	12,905	12,905	0
TOTAL	209,663	109,725	273,934	383,659	45,072
CAPITAL ASSETS NON-STATE FUNDED					
LAND AND BUILDINGS	0	6,000,000	-6,000,000	0	0
TOTAL	0	6,000,000	-6,000,000	0	0
CAPITAL ASSETS NON-STATE FUNDED					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	6,000,000	-6,000,000	0	0
TOTAL	0	6,000,000	-6,000,000	0	0
FUNDING SOURCES					
GENERAL FUND	4,318,484	4,444,185	698,046	5,142,231	45,072
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	6,000,000	-5,987,095	12,905	0
TOTAL FUNDING SOURCES	4,318,484	10,444,185	-5,289,049	5,155,136	45,072

CHANGE PACKAGE SUMMARY**243 MINOT STATE UNIVERSITY - BOTTINEAU****Biennium: 2007-2009****Bill#: HB1003****Date: 12/14/2006****Time: 14:32:48**

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	-3.21	-109,725	0	-6,000,000	-6,109,725
1 PARITY	.00	398,275	0	0	398,275
2 EQUITY	.00	38,742	0	0	38,742
3 CAP ASSET BASE AND INCR	.00	131,659	0	0	131,659
4 2007-09 MAJ CAP PROJ	.00	239,095	0	12,905	252,000
Agency Total	-3.21	698,046	0	-5,987,095	-5,289,049
OPTIONAL REQUEST					
30 OPT DEF MNT INCR	.00	45,072	0	0	45,072
Optional Total	.00	45,072	0	0	45,072

BUDGET CHANGES NARRATIVE

243 MINOT STATE UNIVERSITY - BOTTINEAU

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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PARITY - \$398,275

Parity is defined as the amount needed to fund operating inflation, cost to continue FY07 legislatively funded salary increases, 2007-09 health and salary increases and utilities of buildings coming online during the 2007-09 biennium. The long-term finance plan includes targeted state/student shares for each of the campuses. Approximately 93% of the state's share of these costs is included in the request.

The total (state share) general fund portion of parity consists of the following: 2.4% per year operating inflation or \$49,379, CTC FY07 legislatively funded salary increases of \$46,865, 10% annual health insurance increases or \$110,368, and 5% per year salary increases or \$217,811. These parity components total \$424,422, however as previously noted, the budget request only includes approximately 93% of the state's share, or \$389,275. Operating inflation, totaling \$26,148 is not included in the budget request.

An annual tuition increase of 7.1% would be needed to fund the remaining state share (\$26,148) and to fund the student share (\$141,474) of parity. However, if the 2007-09 budget request is funded at the level requested, the SBHE has indicated that tuition increases will be limited to no more than 5% per year in 2007-09. This 5% tuition cap on tuition increases would create a tuition revenue shortfall of \$48,782 (\$26,148 of state share and \$22,634 of student share of parity).

MSU-Bottineau will use all of the equity funding (see the budget change narrative for equity), \$38,742, to cover the remaining state share of parity (\$26,148) with the balance (\$12,594) applied towards the unfunded student share of parity (\$22,624). The remaining tuition revenue shortfall of \$10,040 will be covered by reducing the operating inflation increase from \$49,379 to \$39,339. Using equity funding to cover parity funding shortfalls will limit if not destroy the campus's ability to fund either new academic programs or initiatives (which are critical in attracting and retaining students). Additional investments in educational programming are needed in order to reverse the trend of declining enrollments. In addition, reducing the operating inflation increase will place a greater stain on operating budget already adversely impacted by soaring utility costs.

Change Group: A	Change Type: A	Change No: 2	Priority: 1
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EQUITY - \$38,742

The NDUS budget request includes a \$10 million increase for equity, distributed among the 11 NDUS campuses and Medical School. The recent MGT report confirms that all NDUS institutions are under funded, when compared to their peer institutions. The equity request will address all NDUS institutions' relative funding position compared to their peer institutions. However, the specific request of each campus was determined by considering both their dollar difference from their peer benchmark, as well as giving a greater weighting factor to those institutions that are further behind their peer benchmark. The equity request for MSU-Bottineau is \$38,742.

MSU-Bottineau will use the equity funding to cover the remaining state share of parity (\$26,148) with the balance (\$12,594) applied towards the unfunded student share of parity (\$22,624). (See change package narrative for parity).

Change Group: A	Change Type: A	Change No: 3	Priority: 1
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CAP ASSET BASE AND INCR - \$131,659

This provides an amount equal to the 2005-07 base funding of \$109,725 for extraordinary repairs, plus a proportionate share (\$21,934) of the \$4 million capital assets increase that is included by the NDUS in the base budget requests. The \$4 million increase is much lower than the total amount called for in the capital asset funding model (\$24.4 million), which is part of the NDUS long-term finance plan. The NDUS is currently funded at an average of 12.2% of the OMB building and infrastructure formulas (ranging from 5.8% to 20.6%), and outstanding deferred maintenance totals \$117.8 million for the NDUS.

A prioritized listing of extraordinary repair projects is included in the extraordinary repairs subschedule (because of OMB's requirement to do so), however these priorities can very easily change, due to unforeseen circumstances and emergencies. The priority listing is only a best estimate at this time. The actual use of these dollars will be left to the discretion of the institutions (with appropriate approvals by the SBHE where required for projects greater than \$100,000). All NDUS entities will be given the authority to allocate dollars to repair and replacement priorities for both deferred maintenance and regular repair and replacement projects as determined by each entity.

Change Group: A	Change Type: A	Change No: 4	Priority: 1
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2007-09 MAJ CAP PROJ - \$252,000

All details of the major capital projects are included in the Capital Assets subschedule.

Change Group: A	Change Type: A	Change No: 100	Priority:
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OMB Deferred Maintenance Optional - \$27,043

Executive Recommendation to fund \$27,043 optional package for deferred maintenance.

The outstanding deferred maintenance of the NDUS, based on recently updated campus master plans, totals \$117.8 million. A one-time infusion of \$10 million would be used to address this critically unfunded need. The campus's share of the \$10 million is (\$45,072), based upon a proportionate share of total outstanding deferred maintenance of the NDUS. The priority listing is only a best estimate at this time, and can easily change, due to unforeseen circumstances and emergencies. The use of these dollars will be left to the discretion of the institution to fund most critical deferred maintenance needs (with appropriate approvals by the SBHE where required for projects greater than \$100,000). The \$45,072 is currently identified to address needed repairs to the greenhouse and to improve air handling in the central heating plant. Although neither project will result in budget savings or efficiencies, the repairs are needed to keep these fixed assets from additional degradation from neglect.

Change Group: A	Change Type: A	Change No: 101	Priority:
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OMB Steam Line Replace -

Change Group: O	Change Type: A	Change No: 30	Priority: 10
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OPT DEF MNT INCR - \$45,072

The outstanding deferred maintenance of the NDUS, based on recently updated campus master plans, totals \$117.8 million. A one-time infusion of \$10 million would be used to address this critically unfunded need. The campus’s share of the \$10 million is (\$45,072), based upon a proportionate share of total outstanding deferred maintenance of the NDUS. The priority listing is only a best estimate at this time, and can easily change, due to unforeseen circumstances and emergencies. The use of these dollars will be left to the discretion of the institution to fund most critical deferred maintenance needs (with appropriate approvals by the SBHE where required for projects greater than \$100,000). The \$45,072 is currently identified to address needed repairs to the greenhouse and to improve air handling in the central heating plant. Although neither project will result in budget savings or efficiencies, the repairs are needed to keep these fixed assets from additional degradation from neglect.